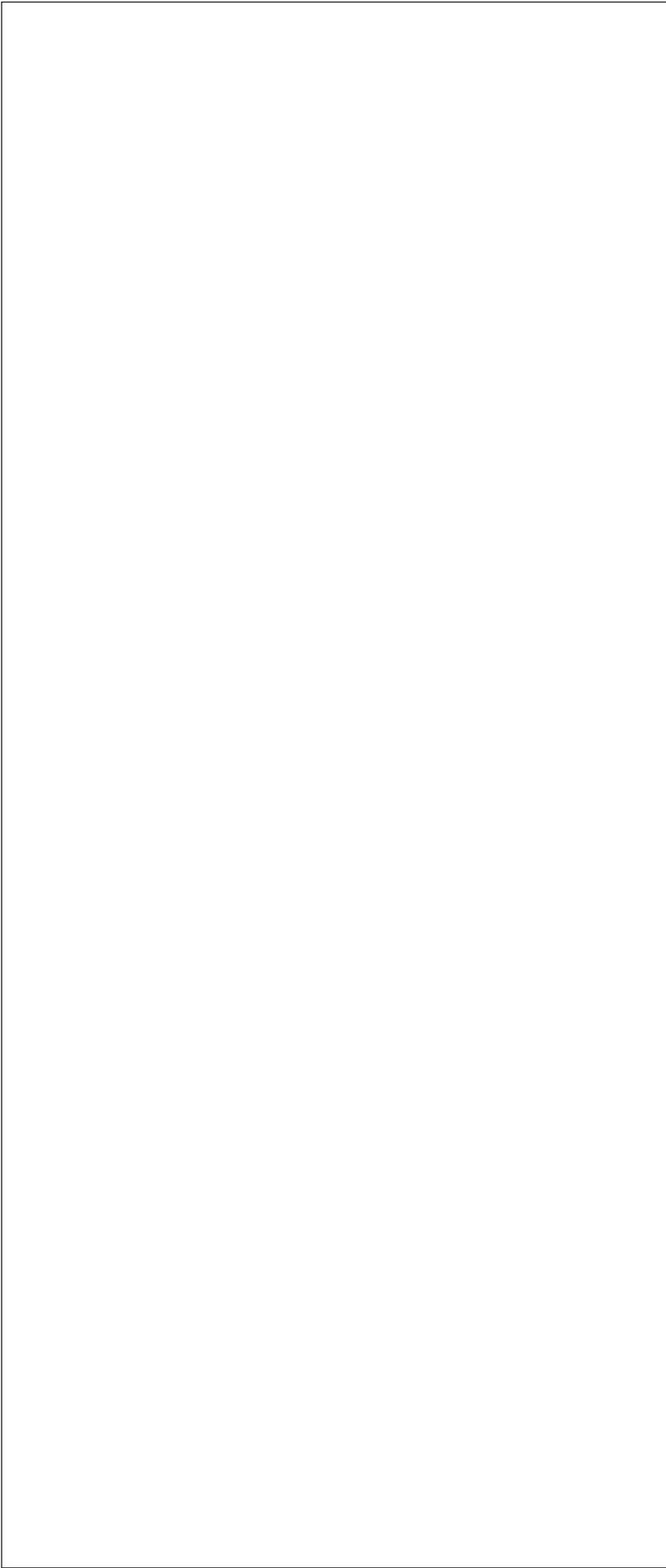




**Reinstatement  
From  
Retirement**



*California  
Public  
Employees'  
Retirement  
System*



## **Reinstatement From Retirement**

The retirement law governs the type of employment you may have with a CalPERS-covered agency after you have retired. You must reinstate from retirement before you go back to work in a permanent position with an employer covered by CalPERS.

If your employment will be temporary—960 hours or less per year—you may work without reinstatement from retirement. Please refer to *Employment After Retirement* (PERS-PUB-33), for further information on employment permissible without reinstatement.

Please read this brochure carefully. Be sure you understand the effects reinstatement will have on your present retirement benefits and follow the requirements to reinstate from retirement.

## **General Information**

- You must notify CalPERS in writing of the employment offered to you and submit all required documents to the Post Retirement Services Division.
- CalPERS must approve your reinstatement *prior to* the date you begin work in a permanent position.
- The date of approval cannot be earlier than the day CalPERS receives all required documents.

- To approve your request for reinstatement, CalPERS requires certain documents from you. The particular documents you must provide depend on the type of your retirement.

## Required Documents

### *If You Retired for Service You Must Submit the Following Documents to CalPERS*

- Your letter requesting reinstatement to a specific position with a CalPERS-covered employer.
- A letter from your prospective employer stating their “intent to hire” you upon CalPERS approval.

#### **California Pitcher Plant**

*Darlingtonia californica*

Also known as the cobra lily, this native insectivorous plant grows in the Klamath region in nutrient-deficient soils. Insects crawl inside the green hooded leaves to find downward-pointing hairs and a slippery narrow tube. The stalk is filled at the bottom with liquid where the insects eventually fall and become digested and used as food.



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***If You Retired for Disability  
or Industrial Disability  
You Must Submit the Following  
Documents to CalPERS***

- Your letter asking to be reinstated to a specific position with a CalPERS-covered employer.
- A letter from your prospective employer stating their “intent to hire” you upon CalPERS approval, *if the job is different from the job you held at retirement. The letter is not needed if you wish to reinstate to the same job you held at retirement.*
- A copy of the current job description for the position to which you wish to reinstate.
- Your physician’s written report that he/she has examined you, reviewed the job description, and finds you able to perform the duties of the position. CalPERS may require an independent medical evaluation to supplement your doctor’s report. If so, CalPERS will select the physician, schedule the appointment, and pay for the examination.

*If you retired for disability from a safety position with a local agency, that agency must determine your eligibility for reinstatement. Therefore, your initial request for reinstatement must be made to your former employer.*

## Return to Active Member Status

Your reinstatement from retirement is effective on the first day of employment following CalPERS approval. *Your retirement allowance ceases to be payable on this date and you will again become an active member of CalPERS.* When you decide to retire again, you must submit an application for retirement stating your new retirement date.

When you reinstate, you will lose eligibility for any benefits now paid to you. These include:

- the annual cost-of-living increase, which begins in the second calendar year of retirement;
- the Purchasing Power Protection Account which is a special payment to those retirees whose purchasing power has dipped below 75% of its original value; and
- additional service credit given to you under a “Golden Handshake” or other retirement incentive program.

*Your health, dental, and vision insurance, along with your survivor and death benefits, may change when you reinstate and when you retire again. We strongly suggest that you contact your prospective employer’s personnel office before you reinstate to clarify your status in regard to these important benefits.*

## Illegal Employment

If you begin employment in a permanent position before CalPERS has approved your reinstatement from retirement, your employment is in violation of the retirement law. You will be automatically reinstated to CalPERS membership as of the date the unlawful employment occurred. The law requires that you do the following:

- reimburse CalPERS for any retirement allowance you received during the period of unapproved employment;
- pay CalPERS the employee contributions which would have been submitted during the period of unlawful employment, plus interest; and



### **Snow Plant**

*Sarcodes sanguinea*

Bright red-crimson snow plants color California's forest floors during summer. They survive in deep shade areas without green leaves by using a fungal network in their roots, feeding on nutrients in the organic soil.

- pay toward reimbursement to CalPERS for administrative expenses incurred in handling this situation, to the extent you are found to be at fault.

Any CalPERS-covered employer that employs a retired member in violation of the law will be required to do the following:

- pay CalPERS the employer contributions which would have been submitted during the period of unlawful employment, plus interest; and
- pay toward reimbursement to CalPERS for administrative expenses incurred in handling this situation, to the extent the employer is found to be at fault.



**Calypso**

*Calypso bulbosa*

*This shade-loving flower, also called the fairy slipper, grows among the redwoods on mossy logs, or on the forest floor. Growing only up to six inches in height, this small flower is one of the earliest to bloom, beginning in February. Its short stalk is topped by a delicate rose-pink orchid.*



## **Calculating Your Subsequent Retirement Allowance**

Several factors are used to calculate your new retirement allowance, including final compensation and service credit. Final compensation is your average monthly pay rate for 36 consecutive months of your new employment, or 12 months if your employer provides for one-year final compensation. If your new employment is shorter than your employer's normal final compensation period, your final compensation will be based partly on your pay rate before your previous retirement. For example, if your employer has a three-year final compensation period and you worked for two years after reinstatement, CalPERS will add one year of your previous pay rate to complete the three-year final compensation period.

**If you have less than one year of service credit,** your new allowance will be calculated using your final compensation after reinstatement, the service credit earned during this period, your age at the subsequent retirement, and your allowance prior to reinstatement.



Using the following data as an example, your new allowance would be calculated as shown below.

Service credit after reinstatement	=	.5 years
Benefit factor for new retirement age (65)	=	2.418
Final compensation	=	\$1,500
Allowance prior to reinstatement	=	\$500

### Step 1

.5	service credit after reinstatement age
x 2.418%	benefit factor for new retirement
1.209	percent of final compensation

### Step 2

1.209%	percent of final compensation
x \$1,500	final compensation
\$18.14	allowance on new service

### Step 3

\$18.14	allowance on new service
+500.00	allowance on old service
\$518.14	total new allowance

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**If you have more than one year of service credit**, your new allowance will be calculated using your final compensation, your service credit for your employment both before and after reinstatement, the benefit factor for your new retirement age and your “determined age,” and the length of time you were retired. Determined age is your age at your new retirement minus the number of years and months you were retired.

Using the following data as an example, your new allowance would be calculated as shown below.

Service credit after reinstatement	=	4.200 years
Benefit factor for new retirement age (65)	=	2.418
Final compensation	=	\$2,200
Service credit for prior retirement	=	9 years
Length of retirement	=	6 years
Benefit factor for determined age (65 - 6 = 59)	=	1.874

**Step 1**

4.200      service credit after reinstatement  
x 2.418%   benefit factor for new retirement age  
10.156%   percent of final compensation



### Step 2

10.156      percent of final compensation  
x \$2,200      final compensation  
\$223.43      allowance on new service

### Step 3

9.00          service credit for prior retirement  
x 1.874%      benefit factor for determined age  
16.866%      percent of final compensation on  
                    old service

### Step 4

16.866%      percent of final compensation  
x \$2,200      final compensation  
\$371.05      allowance on old service

### Step 5

\$371.05      allowance on old service  
+ 223.43      allowance on new service  
\$594.48      total new allowance



## **Estimates of Future Retirement Benefits**

Various circumstances, such as the following, may affect the calculation of your allowance:

- disability retirement versus service retirement;
- industrial disability reinstatement to miscellaneous membership;
- whether reciprocity was involved in your first retirement.

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If you are considering reinstatement from retirement, CalPERS, under specific circumstances, may be able to provide you with an estimate of your *future service retirement* allowance. Your request must be in writing, and you must provide CalPERS with your projected income during the period of your reinstatement, along with the specific date you intend to retire again. Please write to this address:

**Benefit Application Services Division**  
P.O. Box 942711  
Sacramento, CA 94229-2711

## **For More Information**

### **Post Retirement Services Division**

P.O. Box 942716  
Sacramento, CA 94229-2716  
(916) 326-3848 or (800) 352-2238  
(916) 326-3240 — Text Telephone (TTY)  
(916) 326-3933 — Fax

### **Area and Field Offices**

Refer to *Do You Have The Right Number?* (PERS-PUB-19) for a directory to CalPERS Area and Field Office locations.

While reading this material, remember that we are governed by the California Public Employees' Retirement Law. The statements in this booklet are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.

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## How Did You Like This Brochure

If you would like to share your opinion of this brochure, please send us your ideas. Your constructive comments can help us make this brochure even better. Please answer the questions below and mail this page to the following address:

California Public Employees' Retirement System  
Office of Public Affairs  
P.O. Box 1802, Sacramento, CA 95812-1802

1. This brochure is designed to provide an overview of retirement information. Did you get a useful overview of the information from reading this brochure?  
☐ Yes ☐ No If no, what do you find lacking?

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2. Did you have questions after reading any sections?  
☐ Yes ☐ No If yes, in what sections do you have questions, and what are your questions?

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3. Did you find any sections particularly helpful?  
☐ Yes ☐ No If yes, which sections?

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4. Did you find yourself wanting additional information on any subjects?  
☐ Yes ☐ No If yes, which subjects?

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5. If you have other comments, please share them below.

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***California Public Employees'  
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***Sacramento • CA 95814***

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